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**Governor Proposes 19% Biennial Increase in Funding for
Postsecondary Education**

Frankfort, Ky. – Calling it a “quantum leap” in funding for postsecondary education in Kentucky, Governor Paul Patton today announced he would include \$186-million in new funding in his budget for postsecondary education that represents a 19% increase over the next two years. The Governor’s proposal also includes \$120-million for the “Bucks for Brains” program.

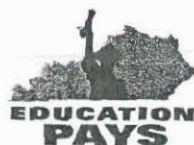
“We must persevere in our commitment to postsecondary education and fulfill the promise we made to the people of Kentucky almost three years ago, when we enacted the Kentucky Postsecondary Education Improvement Act of 1997,” Governor Patton told the group of lawmakers and educators gathered for the announcement in the conference room of the Council on Postsecondary Education.

The Governor’s proposal funds the recommendations of the Council presented to the governor and legislators last November.

Highlights of the Governor’s initiative include:

“Bucks for Brains” Endowment Match	\$120,000,000
Enrollment Growth and Retention	\$ 16,000,000
Lung Cancer Research	\$ 11,135,000
Targeted Initiatives for Comprehensive Universities	\$ 10,000,000
Workforce Training	\$ 12,000,000
Merit-Based Scholarship	\$ 59,850,000
Public Communications Campaign	\$ 1,500,000
Faculty Development	\$ 1,000,000
Adult Education and Literacy	\$ 19,000,000
Science and technology	\$ 4,250,000

(More)



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The Governor's budget proposal also provides debt service to finance \$103.4-million for major renovation projects system-wide for the comprehensive universities and the Kentucky Community and Technical College System (KCTCS).

Additionally, the governor is calling for debt service to finance \$74-million in state bonds to fund three capital construction projects:

KCTCS-Community-Technical College in northern Kentucky	\$ 10,000,000
UK Biomedical Sciences Research Building	\$ 39,000,000
UofL Research Building on Belknap Campus	\$ 25,000,000

The funds for UK and UofL represent 60 percent of the total project scope for each facility. UK and UofL must commit to providing the other 40 percent of the project scope from institutional funds in order to access state funding for the project.

Repeating his commitment to postsecondary education reform that he made in his State of the Commonwealth address, Governor Patton said, "This session is crucial for our reform effort. We've set specific goals for the year 2020. The Council has told us what we need to do this session to keep on track toward those goals. We must fund their final recommendations"

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*A summary of the initiative and a digital photo are available at
<http://www.state.ky.us/agencies/gov/brief200.htm>
Audio available on **NEWSLINER** at 800-633-1019*

Postsecondary Education Budget Summary

Governor Patton's 2000-02 budget proposals for postsecondary education will provide the resources necessary to continue implementation of reforms enacted during the May 1997 Special Session of the General Assembly. These budget proposals fund the Council's recommendations for postsecondary education. This is the largest dollar increase ever for postsecondary education. Governor Patton has referred to this budget as, "A quantum leap in postsecondary education funding."

Adequate Base Appropriations to the Institutions

Benchmark Funding System: The budget includes appropriations to each university and the Kentucky Community and Technical College System based on the benchmark funding system developed by the Council and the institutions to compare Kentucky institutions to other colleges and universities around the nation. The budget also includes other necessary base changes and transfers and special initiative appropriations to institutions.

	<u>2000-01</u>	<u>2001-02</u>
Budget Allocation	\$927,574,500	\$970,588,400

Focused Initiatives through Incentive Trust Funds

Governor Patton's budget proposals use the six incentive trust funds created in the Postsecondary Education Reform Act of 1997 to fund programs recommended by the Council.

Endowment Match Program: This is the second consecutive biennium that this program will be funded to create endowed chairs, professorships, and fellowships at the universities. These funds will be matched dollar-for-dollar by the institutions, creating a total of \$240 million for endowment in this biennium alone. Combined with last biennium, the Endowment Match Program has provided \$460 million for universities' endowments. These funds will be appropriated through the Research Challenge and the Regional Excellence trust funds: \$100 million to the University of Kentucky and the University of Louisville and \$20 million to the comprehensive universities.

	<u>2000-01</u>
Budget Allocation	\$120,000,000